



Cash Waqf as an Alternative Panacea to Poverty Alleviation

An Overview of Human Development in Nigeria

Hakeem B. Oladapo

Saad Md Norma

Omar Mohammed Mustafa

Oziev Gapur

Abstract: This study investigated how cash waqf was used to alleviate education poverty in Nigeria among the orphans and under-privileged in Zamfara State in particular. The failure of government has deprived people of good health, shelter, education among other things. Similarly, efforts of both private and voluntary sectors yielded no useful results especially in sponsoring students' education. It is undeniable that poverty has become household problem in Africa and specifically Nigeria. The menace has deprived people of basic necessity of life hence, throw them into serious predicament. The present study used qualitative technique hence, conducted in-depth interviews of three types of respondents. Data gathered from the interview was analyzed using a phenomenological approach. It is hoped that the findings will be useful to policy makers in waqf institutions and the Nigerian government to strategize poverty alleviation inclusive of orphans and under-privileged education in order to boost the level of literacy in the country.

Keywords: cash waqf, education, poverty alleviation, under-privileged, phenomenology.

JEL Code: Z12

Introduction

Poverty is the complete deprivation of the poor which holds them back from achieving the basic necessary things in life. Hence, the poor struggle very hard to meet their basic needs in life coupled with the inability of the government in some parts of the world generally in Africa and specifically Nigeria to provide for them.

@ Dr., OOA Universal Consult Limited. tundeajao68@gmail.com
Prof. Dr., International Islamic University Malaysia. norma@iiu.edu.my
Assoc. Prof. Dr., International Islamic University Malaysia. mustafa@iiu.edu.my
Assoc. Prof. Dr., International Islamic University Malaysia. gapur@iiu.edu.my



© Research Center for Islamic Economics
DOI: 10.26414/tujise.2017.4.2.83-90
Turkish Journal of Islamic Economics, 4(2), 2017, 83-90.
tujise.org



Submitted: 28.12.2016
Revised: 25.05.2017
Accepted: 24.06.2017
Published: 10.08.2017



For instance, in Nigeria a highly populated African country, poverty has been responsible for poor people's lack of education, ill health, economic emancipation as well as poor people becoming emaciated (Chitranshi, 2009, pp. 1-2). It also, impairs people's knowledge as well as deprives them of shelter and other basic needs in life. Efforts of the government to tackle this menace have thus far yielded little or no tangible result. This could be due to high level of corruption, insensitivity, lack of substantial commitment and due consideration for the poor and poverty alleviation programs.

In addition, the private sector's involvement in poverty alleviation in the economy failed to ameliorate the problem. This could in the most part be due to the sector's profit motive (Werker & Ahmed, 2007, p. 7). Furthermore, the voluntary sector as well has not been able to fruitfully resolve this problem of poverty.

Additionally, the nature and dimension of the banes confronting the education sector in Nigeria informed the country of a new approach to governance which called for processes that would make them transparent and efficient (University World News, 2014, p. 2). Also, the government holds to the belief that education is not only their responsibility and called on other stakeholders such as the voluntary sector to substantially commit to investing in higher education including sponsoring researches (University World News, 2014, p. 3).

Moreover, education problems in Nigeria have been blamed on the following: political will, lack of continuity of programs and high level of corruption (Okoroma, 2006, pp. 254-255). Similarly, Bolaji Graay, Campell-Evans (2015, pp. 59-63) attribute the failure of educational policies to the lack of political will and continuity, contradictory policies, and underfunding, all of which have contributed significantly to the policy implementation failure in Nigeria.

Waqf institution in Islamic history has a track record of efficiency and transparency and had really assisted in poverty alleviation in the past dating back to Prophet Muhammad's time (Kuran, 2001, p. 851; Kahf, 2002, p. 3). Hence, in Zamfara State, Nigeria, the *Shari'ah* was introduced in 1999 and in the same year *waqf* was institutionalized in order to relieve people of poverty in the state. The plan of the institution is to encourage small and medium enterprise, foster education, health care for orphans and less privileged among others. The present study intends to find out the extent to which the *waqf* institution in Zamfara State, Nigeria has been able to alleviate education poverty.

Problem Statement

The level of poverty in Nigeria is very high like many other African countries. For

instance, the United Nations International Children's Emergency Fund (2013, p. 5) statistical report shows that, 72% of rural populace did not have access to improved sanitation facilities. Again, statistics depict that, 53% of the rural populace do not have access to adequate drinking water, (United Nations International Children's Emergency Fund (2013, p. 1). Furthermore, 70% of households who conducted the survey never attended school (Olowa, 2012, p. 31). Additionally, 42% of the populace among female between the age of 15-24 in the period of 2008 to 2012 were not literate (UNICEF, 2013, p. 2). The Poverty rate increased from 17.7 million in 1980 to 68.7 million in 2004 (Olowa, 2012, p. 30). In addition, the aforementioned author argued that 12% of the population of the first quintile and 8% of the population of the fifth quintile respectively consulted traditional healers among other indicators (Olowa, 2012, p. 31). Poverty has deprived people of good health, shelter, education and the basic necessities of life. Government has held to their point that the education sector is not purely their responsibility alone. (University World News, 2014, p. 3). Therefore, funding in the governmental sector is least expected due to the insensitivity of the government towards education. The Private sector would appear to be expensive for the purpose of poverty alleviation especially in the education sector due to the high cost of borrowing as well as the sector's profit motive (Werker & Ahmed, 2007, p. 7).

Furthermore, the voluntary sector, the NGOs, have also failed in their attempts to alleviate education poverty compared to the contribution of these sectors in more developed economies. However, the hope is now on the *waqf* institution which has proved in the past to alleviate poverty even in the area of education through donations from pious Muslims (Ahmed, 2004, p. 28).

Therefore, the present study intends to find out to what extent the *waqf* institution in Zamfara State, Nigeria has been able to foster human development among the less privileged and orphans in the state and whether it is ensuring that those affected are sponsored in tertiary institutions as well as catering for those in primary schools in terms of feeding, free school uniforms and text books to enhance their learning.

Objective of the Study

1. To examine how Zamfara State *waqf* institution enhances education among the poor.
2. To investigate how cash *waqf* endowment is used for poverty alleviation.
3. To proffer suggestions and recommendations.

Literature Review

Poverty is prevalent in Nigeria like many other countries in the African continent. It affects all sectors of the economy. However, the present study focuses on the education sector using *waqf* as an alternative panacea for poverty alleviation with a special interest in the education of orphans and those less privileged in the society in Nigeria generally and specifically in Zamfara State. But before reviewing the above, a review of poverty alleviation in Nigeria will be carried out.

Poverty Alleviation

Generally, in Sub-Saharan Africa, poverty keeps on rising. For example, measures employed to attain macroeconomic stability have turned out to affect changes in income distribution with risk to prevalent poverty (Kousari, 2012, p. 60). Sub-Saharan Africa focuses on macroeconomic stability through which poverty could be addressed among the poor. Notwithstanding, the attempt does not bring appreciable results to the deprived. Similarly, in South Africa, the government seems to be unable to reduce income inequality and the consequences of poverty among the rural women. The country focuses on poverty alleviation among women in the rural areas. However, the majority of the rural women still live in unbearable conditions with deplorable sanitation and inadequate basic needs of life (Ozoemena, 2010, p. 2).

Specifically, in the case of Nigeria, poverty alleviation programmes are categorized into three, namely governmental, private sector and non-governmental organization (NGO). For instance, the government of Nigeria introduced programmes such as Federal Urban Mass Transit, Sites and Services Scheme, National Economic Reconstruction Fund, Nutrition-Related and Small-Scale Enterprise (Obadan, 2001, pp. 11-12). Furthermore, the government concentrates on poverty alleviation among the poor through structural adjustment policies. The policies are meant for the special needs of the poor or at least for the vulnerable to feel the impact. However, the policies have brought negative effects to the people due to lack of emphasis on societal development, human development and loss of attention to the socio-economic problems of the vulnerable groups (Obadan, 2001, p. 6). Moreover, the efforts of the governmental, private and voluntary sectors to put the poor in a better state yielded no appreciable results (Werker & Ahmed, 2007, pp. 7-8; Obadan, 2001, p. 8; Ukpogon, 1993, p. 68).

Cash Waqf for Poverty Alleviation

Cash *waqf* in Ottoman Empire was established to meet the basic needs of the poor (Bulut & Korkut, 2016, p. 15). In view of the above, the *waqf* contributed immense-

ly to the Empire without any cost incurred by the Ottoman state. The endowed funds have assisted more importantly in the area of financing education which is the focus of the present research, health, welfare to mention but a few (Cizakca, 2004, p. 2, 17). Furthermore, the *waqf* did not only assist the Empire in financing education as mentioned earlier, but equally supported the Islamic world such as *Dar al Hadith*, *Dar al Kurra* and a large part of the madrasas that were *waqf* based had all their educational expenses covered by *waqfs* (Bulut & Korkut, 2016, p. 16). In the same vein to the above, the first educational institution in the Ottoman Empire which was a madrasa was funded by *waqf*. Similarly, the study by Ab. Aziz, Johari, and Yusof (2013, p. 1) discusses cash *waqf* for the establishment of financial institutions for financing education. The study emphasized on education similar to the present study but the authors went through financial intermediation. This is quite different from the present study in which the *waqf* institution enhanced education directly among the poor in Zamfara State, Nigeria using returns from endowment funds.

Furthermore, the study by Md. Mizanur (2013, p. 1) emphasizes the number of mosques that are *waqf* based in Bangladesh. He concludes that out of about 200,000 mosques in the country, 123,006 are *waqf* properties. This study is not in tandem with the present study. Additionally, the study by Nurrachmi (2012, pp. 1-2, 4) sheds light on the implication of cash *waqf* in the society. The author stresses on planned programs that are mostly voluntarily in nature. The writer concludes that this does not guarantee that the programs based on cash *waqf* would be accomplished on time due to financial involvement. The study does not align with the present study which focuses mainly on education. Moreover, Chowdhury, Ghazali, and Ibrahim's (2011) study shows concern for management of the cash *waqf* model for generating more returns for the benefit of the involving parties. However, the study did not focus on education like the present study.

Also, the study by Saifuddin, Kayadibi, Polat, Fidan and Kayadibi (2014, p. 28) examined the possibility of integrating cash *waqf* with poverty alleviation initiatives of the Malaysian government beyond religious purposes. However, the study was not specifically focused on education like in the present study. Further to the above, Ahmed (2004, p. 63) observes the contribution of Zakah and *Awqaf* in the macro-context to the development of the human capital and to the designing of specific programs for the poor and vulnerable. He concludes that programs may include provision of education which is the focus of the present study among other things. However, the study by Ahmed combines two Islamic poverty alleviation tools as against one Islamic poverty alleviation tool (*waqf*) in the context of the present study.

Methodology

The study is purely exploratory hence; it carried out document analysis as it affected education. Also, an in-depth interview was conducted on three respondents; two of the respondents were graduating students of tertiary institutions (School of Health Technology, Zamfara State, Nigeria and Usman dan Fodio University, Sokoto Nigeria) and one official of the *waqf* institution. The interviews were transcribed and analyzed using a phenomenological approach.

Results and Discussion

The two students who graduated from tertiary institutions in Nigeria were interviewed. They agreed that the *waqf* institution paid their school fees from the very 1st year to their final year in their respective institutions in Nigeria. The school fees according to them were paid through the institution to avoid diversion of funds which is of course inimical. The school fees paid included their accommodation but excluded pocket money for their upkeep in the school as well as money for clothing and other necessities of life. One of the students stated that the institution normally required his academic performance from the school. This is to enable the institution to plan a head for the next school fees of the student if he is seen to be progressing well in his endeavor. Though there were no conditions specified to be taken on any student that performs woefully. On the other hand, the document information shows a file for each and every beneficiary with records and documents backing the financial assistance to such people. One of the beneficiaries of the scholarship was an orphan while the second beneficiary came from a poor family background. One respondent from the *waqf* institution said that apart from the scholarship they gave to the deserving students they also built schools for the orphans and less privileged free of charge. This is to ensure that most children of the poor become literate and may compete with the children of the privileged in the society.

Additionally, the institution has a series of poverty alleviation packages, this includes health care services which are being provided by the institution free of charge for the less privileged and orphans, financial assistance for marriage as well as for small and medium enterprises. Besides this, the institution has 10 primary schools for the benefit of the target audience as enunciated above. It also maintained endowed schools of 4 and another block of six class rooms. The institution also provides school uniforms for the students, zero school fees and stationery for the schools. The registered orphans, apart from the free schooling are also provided

with meals in the school. The institution's total number of beneficiaries stood at 62,981 on all endowment packages out of which 35,650 falls into education including scholarships for higher learning in Nigeria and outside Nigeria. The two students interviewed thanked Allah for the opportunity they had through the institution without which they would not have the privilege to attend higher institutions either in Nigeria or elsewhere due to the circumstances surrounding their cases. The respondents are now helping the institution in the healthcare services and school respectively in light of their educational attainments.

Conclusion

The effort of the *waqf* institution in Zamfara State, Nigeria to exchange hands of fellowship to the poor in the state in ensuring the smooth running of their education in the tertiary institutions is a welcome idea. This will make the beneficiaries responsible human beings as they will shun all social vices in life. Further to this, beneficiaries will turn to be recognized citizens in the society. Though this institutionalized *waqf* is very common in the northern part of the country nonetheless, it would be a tremendous thing if the south west could also be imbibed in this practice in order to help a lot more of people who are without any help coming to them to further their education. Recently, students of two well known universities in Nigeria went on demonstrations over high fees. This development, the students perceived will add more burden to their parents in obliging their school fees knowing fully well that their parents have other responsibilities. If such students could be on scholarships from *waqf* institutions in Nigeria, they would not have reacted in the way they did because there would not have been a burden on either them or their parents. The study suggests that the *waqf* institution in Zamfara State should intensify further efforts to offer more of such assistance to the poor. Where possible the institution could also absorb them at the end of their programs so that they will not only be literate but will also become independent and capable of staying on their own for years to come.

The researchers irrevocably recommend that the south western majority of Muslims in Nigeria intensify their efforts to establish institutionalized *waqf* among themselves for helping the majority of the less privileged and orphans within the region. This will go a long way to ameliorate poverty among the poor in the area especially in the area of human development, thereby, grooming vibrant leaders of tomorrow.

References

- Ab. Aziz, M., J. F., & Yusof, M. A. (2013, September). *Cash waqf models for financing in education*. Paper presented at 5th Islamic Economic system Conference. Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia, Malaysia.
- Ahmed, H. (2004). Role of Zakah and Awqaf in Poverty Alleviation (Occasional Paper No. 8). Jeddah: Islamic Research and Training Institute, Islamic Development Bank Group.
- Bolaji, S. D., Gray, J. R., & Campell-Evans, G. (2015). Why do policies fail in Nigeria? *Journal of Education & Social Policy*, 2(5), 57-66.
- Bulut, M. & Korkut, C. (2016). Cash *waqfs* (CWs) and financing of education at Ottoman Experience. International Symposium on Waqf and Higher Education, Instabul, Turkey.
- Chitranshi, M. (2009, February 21). *Causes and effects of poverty*. Retrieved from <http://www.infojug.com/pover-ty-articles/causes-and-effects-of-poverty.html>.
- Chowdhury, M. S. R., Ghazali, F. M. B., & Ibrahim, M.F. (2011). Economics of cash *waqf* management in Malaysia: A proposed cash *waqf* model for practitioners and researchers. *African Journal of Business Management*, 5(30), 12155-12163.
- Cizacka, M. (2004). Ottoman cash Waqfs revisited: The case of Bursa (1555-1823). *Journal of Economic and Social History of the Orient*, 38(3), 313-354. from [https://www.unicef.org/ Infobycountry/nigeria_statistics.html](https://www.unicef.org/Infobycountry/nigeria_statistics.html).
- Harvard Business School. (2007, May). *What do non-governmental organizations do?* (Working Paper No. 08-041). Massachusetts, Werker, E.D. & Ahmed, F. Z. <http://library.fes.de/pdf-files/gurn/00111.pdf>.
- Kahf, M. (2002). *Waqf and its Social Aspects*. Retrieved September 15, 2010, from http://monzer.kahf.com/papers/english/WAQF_and_its_Sociopolitical_Aspects.pdf.
- Kousari, K. (2012). *Structural adjustment and poverty reduction in Africa*. Retrieved July 16, 2012, from
- Kuran, T. (2001). The provision of public goods under Islamic law: Origins, impact, and limitations of the *waqf* system: *Journal of Law & Society Association*, 35(4), 841-898.
- Md. Mizanur, R. (2013, May 08). *Cash waqf: a new concept of waqf for alleviating poverty*. Retrieved from <http://print.thefinancialexpress-bd.com/old/index.php?ref=MjBfMDVfMDhfMTNfMV8yN18xNjg3MDM=>
- Nurrachmi, R. (2012). The implication of cash *waqf* in the society. *Al Infaq Islamic Economic Journal*, 3(2), 15-155
- Obadan, M. I. (2001). Poverty reduction in Nigeria: The way forward. Retrieved December 25, 2010, from <http://www.cbn.gov.ng/out/Publications/communique/efr/RD/2002/efrVol39-4-3.pdf>.
- Okoroma, N. S. (2006). Educational policies and problems of implementation. *Australian Journal of Adult Learning*, 46(2), 245-263.
- Olowa, O. (2012). Concept, measurement and causes of poverty: Nigeria in perspective. *America Journal of Economics*, 2(1), 25-36.
- Ozoemena, R. (2010, September 29). *Poverty alleviation strategies in South Africa: Creating dignified living for women through social justice and development*. Retrieved from <http://www.ngopulse.org/article/creating-dignified-living-women-through-social-justice-and-development>.
- Saifuddin, F., Kayadibi, S., Polat, R., Fidan, Y., & Kayadibi, O. (2014, May-June). The role of cash *waqf* in poverty alleviation: case of Malaysia. Proceedings of 4th KLIBEL–Kuala Lumpur International Business, Economics and Law Conference, 4, 272-289.
- Ukpong, E. (1993). The Constraints of NGOs' Operational Flaws on Rural Development Initiatives in Nigeria- *Journal Social Development in Africa* 8(1), 51-72.
- United Nations International Children's Emergency Fund. (2013). *At a glance: Nigeria*. Retrieved April 30, 2017, University World News. (2014). *Higher education stakeholders to forge a social contract*. Retrieved June 15, 2014, from <http://www.universityworldnews.com./article.php?story=20130109170842168>.